GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:758
ANSWERED ON:17.05.2002
INCOME TAX ON RAILWAY PASSES
A. KRISHNASWAMY;SUNDER LAL TIWARI

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have imposed an income-tax on free railway passes issued to the employees of Railways;

(b) if so, the details thereof ;

(c) the rationale behind such imposition;

(d) whether the same yardstick is not applied on the employees of Indian airlines/Air India;

(e) if so, the reasons therefore; and

(f) the steps taken by the Government to follow an uniform policy in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) to(f) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION NO. 758 FOR 17.05.2002

(a), (b) & (c): Yes, Sir. The Government vide notification S.O.940(E) dated 25.09.2001 has amended rule 3 of the IncomeTax Rules, 1962, relating to valuation of perquisites. The revised provisions lay down the rules for determining the value of any benefit or amenity resulting from the provision by any undertaking engaged in the carriage of passenger or goods to any employee or to any member of his family for personal or private journey free of cost or at a concessional rate. The value of the perquisite is computed by taking the amount at which the facility costs to the public and reduced by the amount recovered from the employee, if any. The amendment is intended to make the valuation in respect of existing perquisites more realistic, and also to provide the basis of valuation in respect of certain perquisites for which no valuation norms existed in the earlier rules.

(d): No, Sir.

(e): Does not arise.

(f): Does not arise.